



JOHN MARISCOTTI
EXECUTIVE VICE PRESIDENT

NATIONAL RAILWAY UTILIZATION CORP. 9140-A
860 Suburban Station / 1617 John F. Kennedy Blvd., Phila., Pa. 19103 / (215) 589-2280 Filed & Recorded

RECORDATION NO. 9140 Filed & Recorded

DEC 28 1977-3 15 AM

RECORDATION NO. 9140-B Filed & Recorded

DEC 28 1977-3 15 AM

INTERSTATE COMMERCE COMMISSION

DEC 28 1977-3 15 AM

INTERSTATE COMMERCE COMMISSION

December 28, 1977

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, DC 20423

RECORDATION NO. 9140-C Filed & Recorded

DEC 28 1977-3 15 AM

Attention: Secreatry

Dear Sir:

INTERSTATE COMMERCE COMMISSION

It is hereby respectfully requested that the following documents be recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act:

1. Conditional Sale Agreement, dated as of December 1, 1977:

Vendor - Whittaker Corporation (Berwick Forge & Fabricating Division)
West 9th Street
Berwick, PA 18603

Vendee (Purchaser) - St. Lawrence Partners
c/o FDI Management
300 Delaware Avenue (Suite 1100)
Wilmington, Delaware 19801

2. Agreement and Assignment (of Conditional Sale Agreement), dated as of December 1, 1977:

Assignor (Vendor-Builder) - Whittaker Corporation (Berwick Forge & Fabricating Division)
(address as stated above)

Assignee - Mercantile - Safe Deposit and Trust Company
2 Hopkins Plaza
Baltimore, MD 21203

3. Lease of Railroad Equipment, dated as of December 1, 1977:

Lessor - St. Lawrence Partners
(address as stated above)

Lessee - Pickens Railroad Company
402 Cedar Rock Street
Pickens, South Carolina 29671

Co-Lessee - National Railway Utilization Corporation
(address as stated above)

7-362A074
Date DEC 28 1977
Fee \$ 100
ICC Washington, D.C.

Counterpart
Angela Olson



Interstate Commerce Commission
December 28, 1977
Page two

4. Assignment of Lease and Agreement, dated as of
December 1, 1977:

Assignor - St. Lawrence Partners
(address as stated above)

Assignee - Mercantile - Safe Deposit and Trust Company
(address as stated above)

General Description of the Equipment:

30 Box Cars, Type XM (50' - 6" 70-ton),
bearing Pickens Railroad Company Road
Numbers M&NJ 120805 - 834 (both inclusive),
and each being marked: "Ownership subject to
a Security Agreement filed under the Interstate
Commerce Act, Section 20c".

Very truly yours,

John Mariscotti, Executive Vice President

JAM:tw

RECORDATION NO. 9140-C Filed & Recorded

SIGNED COPY

DEC 28 1977-3 15 AM

INLAND COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of December 1, 1977

between

ST. LAWRENCE PARTNERS,

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent

ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1977 (hereinafter called this Assignment), by and between ST. LAWRENCE PARTNERS (hereinafter called the Lessor or the Vendee), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (hereinafter called the Vendor) under a Participation Agreement dated as of the date hereof.

WHEREAS, the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Security Documentation) with Whittaker Corporation (Berwick Forge & Fabricating Division) (hereinafter called the Builder), providing for the sale to the Vendee of such units of railroad equipment (hereinafter called the Units) described in the Annexes thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS, the Lessor, Pickens Railroad Company (hereinafter called the Lessee) and National Railway Utilization Corporation (hereinafter called the Co-Lessee) have entered into a Lease of Railroad Equipment, dated as of the date hereof (hereinafter called the Lease), providing for the leasing by the Lessor to the Lessee of the Units, the obligations of Lessee under the Lease being the point and several obligations of the Co-Lessee to the extent therein set forth; and

WHEREAS, in order to provide security for the obligations of the Lessor under the Security Documentation and as an inducement to the Vendor to invest in the Conditional Sale Indebtedness (as that term is defined in the Security Documentation), the Lessor agrees to assign for security purposes its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the Security Documentation, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices,

consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the Security Documentation, and, so long as no event of Default or event which with the lapse of time and/or demand provided for in the Security Documentation could constitute an event of default thereunder, shall have occurred and be continuing, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor, by check mailed to the Lessor on such date or, upon written request of the Lessor, by bank wire to the Lessor at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor. If the Vendor shall not receive any rental payment under the first paragraph of § 3 of the Lease when due, the Vendor shall notify the Lessor at the address set forth in the Lease; provided, however, that the failure of the Vendor so to notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Security Documentation.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the Security Documentation, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay and discharge any and all claims, liens, charges or security interests (other than created by the Security Documentation) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor, or its successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the Security Documentation or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure, the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the Commonwealth of Pennsylvania, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the Security Documentation, or at such other address as the Vendor shall designate.

11. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no event of default under the Security Documentation has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment and which are for the sole benefit of the Lessor, without the prior consent of the Lessor.

12. Anything herein to the contrary notwithstanding, this Assignment shall not be deemed:

(a) to limit or impair the provisions of Article 21 of the Security Documentation respecting limitations on liability;

(b) to limit or impair the right of the Vendee set forth in the sixth paragraph of Article 16 of the Security Documentation;

(c) to limit or impair the rights of the Vendee to receive notices in accordance with the provisions of the Security Documentation, or of the Lessee to receive notices in accordance with the provisions of the Lease; or

(d) to grant to the Vendor any right to amend or modify the Lease in any respect which would materially affect the rights of the Lessor without the prior written consent of the Lessor.

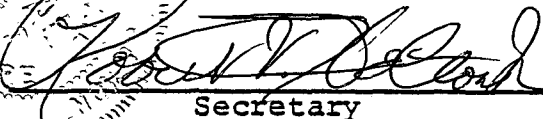
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

ST. LAWRENCE PARTNERS

By BRANDYWINE CORPORATION,
its General Partner

[Corporate Seal]

Attest:


Secretary

By



VICE President

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY

[Corporate Seal]

Attest:

By


Assistant Vice President

ASSISTANT


Corporate Trust Officer

COMMONWEALTH OF PENNSYLVANIA :

SS:

COUNTY OF PHILADELPHIA

On this 27th day of December, 1977, before me personally appeared B. E. Moore, to me personally known, who, being by me duly sworn, says that he is, ^{President} President of Brandywine Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and on behalf of St. Lawrence Partners (a partnership of which said corporation is the General Partner) by authority duly vested in said corporation as such General Partner, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation and of said partnership.

[Notarial Seal]

Lynn Ann McDowell
Notary Public

My Commission expires:

LYNN ANN McDOWELL,
Notary Public, Phila., Phila. Co.
My Commission Expires April 13, 1981

STATE OF MARYLAND

:

SS:

CITY OF BALTIMORE

:

On this 28th day of December, 1977, before me personally appeared G. J. Johnston, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My Commission expires: 7-1-78

Dorothy E. Schorff
Notary Public
DOROTHY E. SCHORFF
NOTARY PUBLIC
My Commission Expires July 1, 1978